

Weekly Focus

Trade heat is on – bumpy road ahead

Market movers ahead

- We are set to get some information on the solid Q1 euro area GDP-growth. We expect to see durable domestic demand. March industrial production also ticks in along with the May ZEW index. We will be looking to see whether recent rising expectations have rubbed off on current conditions.
- In China, focus will continue to be on the trade talks. However, we will also look out for the April industrial production, retail sales and fixed asset investments.
- In Sweden, inflation will take centre stage. Our forecast for CPIF excluding energy is in line with the Riksbank's at 1.6% y/y.
- We are due to receive GDP figures out of Norway and Denmark. We expect the Norwegian figures to disappoint, with growth at 0.4% at the most. In Denmark, 0.4% growth is still solid and this is exactly what we expect for q1.

Weekly wrap-up

- The overriding theme this week was the U-turn in the US-China trade talks. We see a clear risk things will get worse before they get better but our baseline scenario is still a deal by the end of Q2, as further escalation would hurt both sides significantly.
- The EU Commission downgraded its growth projections for the euro area, especially on the back of a gloomier outlook for Germany.
- In the UK, pressure is mounting on Prime Minister Theresa May to resign after the Conservatives suffered a heavy defeat at the local elections.
- US and German 10-year yields have fallen again on the renewed uncertainty, as the downside risk to growth and inflation has increased.

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Financial views

Major indices

| | 10-May | 3M | 12M |
|---------------|--------|------|------|
| 10yr EUR swap | 0.48 | 0.55 | 0.85 |
| EUR/USD | 112 | 113 | 117 |
| ICE Brent oil | 71 | 70 | 80 |

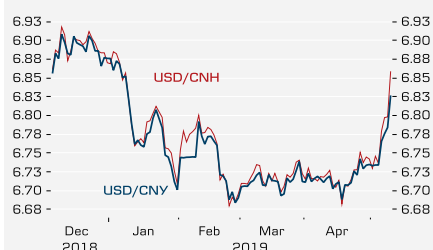
Source: Danske Bank

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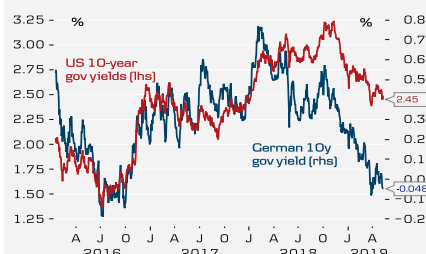
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Sharp weakening of CNY following renewed trade tensions



Source: Macrobond Financial, NBS, Danske Bank

Bond yields keep pushing lower on growth and inflation worries



Source: Macrobond Financial

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Market movers

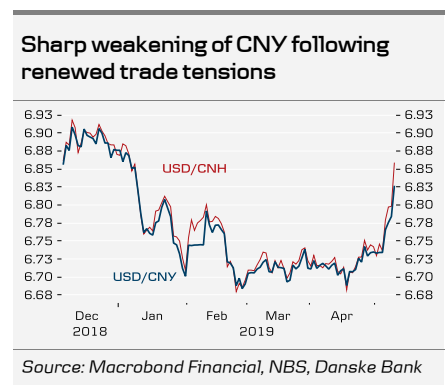
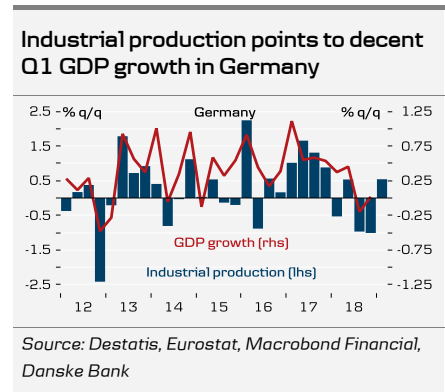
Global

- In the **US**, we have a quiet week in terms of data releases. On Wednesday, we get retail sales control group numbers for April, which will give us the first indication of private consumption growth at the beginning of Q2. We expect retail sales to continue to show strength, but it is important to keep in mind that data is quite volatile on a monthly basis. Besides retail sales, we will also have speeches from the Fed, but given that the Fed has indicated it is firmly on hold, these are unlikely to rock the boat.
- In the **euro area**, we get the second Q1 GDP growth estimate and with it the first German Q1 GDP estimate on Wednesday. Despite the dire PMI readings, the euro area economy grew 0.4% q/q in the year's first quarter. The stronger-than-expected growth likely came from durable domestic demand and was due to the industrial sector no longer being a drag on growth. Tuesday will already give us some clue as to how the industrial sector contributed to first-quarter GDP growth when we get the March euro area industrial production print. The German print last week showed that the industrial sector de facto returned to being a small growth driver in Q1 after weakness in H2 18, so we stick to our forecast of 0.4% q/q German GDP growth in Q1.

On Tuesday, we also get both the euro area and German ZEW indices for May. The latest months have shown a divergence between current conditions and expectations, where expectations have risen in contrast to loosening current conditions; hence, we will see later whether this trend reverses on the back of the stronger hard macro data.

Friday will bring the final inflation April HICP details, which will give us a clue on how much the core inflation surge to 1.2% y/y from 0.8% y/y in March was driven purely by seasonal effects or actual underlying inflation pressure. For a detailed analysis see: *Euro Area Research - Inflation under the microscope: simmering, not boiling*, 10 May 2019.

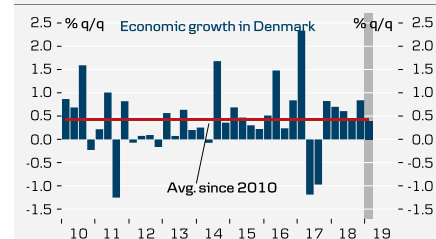
- In the **UK**, we have a quiet week ahead in terms of economic data releases. On Tuesday, the labour market report for March is due out. The labour market has performed well despite Brexit uncertainties and other survey indicators suggesting otherwise. Otherwise, focus will be on the European elections campaigning ahead of election day on 23 May.
- There are no market movers in **Japan** next week.
- In **China**, focus will continue to be on the trade talks with the US after President Trump implemented an increase in the tariff rate from 10% to 25% on USD200m of Chinese goods. The situation is highly uncertain now and it is not clear whether we are in for a further escalation or if talks can get back on track, see *China notes – US hikes tariffs leaving high uncertainty in place*, 10 May 2019. On the data front, we get the April batch of industrial production, retail sales and fixed asset investments that are always released together. We expect a setback not least of all in industrial production growth, which jumped significantly higher in March. In general, April data disappointed after a strong March, which was likely boosted by Chinese New Year effects.



Scandi

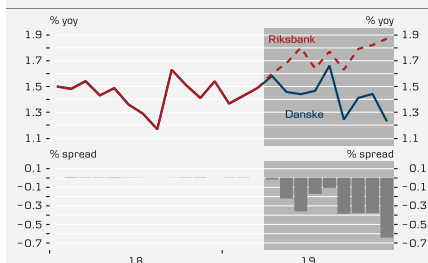
- In **Denmark**, Wednesday should bring the first figures for economic growth in Q1 in the form of the so-called GDP indicator. Manufacturing, which has long looked strong, would appear to have performed well in Q1, too – which is supported by exports also doing well, with trade outside Denmark’s borders, in particular, seeming to have risen considerably. Domestic demand, too, has also looked solid, mainly due to burgeoning car sales prompted by the prospect (now postponed) of an increase in car taxes in April. This has given a significant boost to private consumption. We expect economic growth in Q1 to come in at 0.4%.
- In **Sweden**, April inflation will be the centre of attention this week. It should not be a blockbuster, however, as our forecasts for all three inflation measures (CPI, CPIF and CPIF excluding Energy) are all spot on the Riksbank’s. Taking the starting point in the latter, the monthly print has not been higher than 0.6 % m/m, which is our forecast now, since the turn of the millennium. That should give some comfort that the upside risk is limited. The forecasts for energy and rates are normally quite accurate; hence, any miss is likely to be in that core measure. The main drivers this month are international airline tickets and charter package prices, assumed together to add 0.4 percentage points m/m to inflation. Fuel will add 0.15 percentage points and mortgage rates just below a tenth. Prospera money market inflation expectations are due, too. CPIF expectations have been declining over the past 6-8 months, the shorter 1-2 horizons from about 2.0% to below 1.8% recently. If this trend continues, which we expect to happen, this will capture the Riksbank’s attention.
- Finally, Valueguard releases the April HOX index. Our Boprisindikator, which tracks HOX Stockholm flats, rose 0.8 % m/m for the month.
- In **Norway**, recent data has been very mixed. The monthly GDP indicator fell unexpectedly in February from normal levels in January, and a cautious increase in retail sales was offset by a surprise drop in industrial production in March. So although we expect growth to pick up in March, this is unlikely to be enough to stop mainland GDP from increasing by just 0.4% q/q in Q1. That would be below Norges Bank’s projection of 0.6% given in the March monetary policy report, and data so far suggests some risk to the downside. On the other hand, unemployment continued to fall in Q1, which would normally suggest that growth was still above trend, and this is an important cross-check given the lack of interim data for the country’s relatively large service sector.

We expect the Danish economy continued to grow in Q1



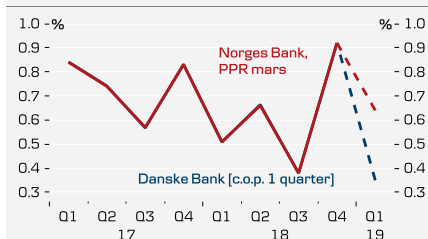
Source: Statistics Denmark, Macrobond Financial, Danske Bank

We see core CPIFxE spot on the Riksbank’s forecast in April



Source: SCB, Riksbank, Danske Bank

Disappointing GDP growth



Source: Macrobond Financial, Norges Bank, Danske Bank

Market movers ahead

| Global movers | | | Event | | Period | Danske | Consensus | Previous |
|----------------------|--------|-------|-------|---------------------------------|---------|-------------|-----------|-----------|
| During the week | | | | | | | | |
| Tue | 14-May | 11:00 | DEM | ZEW expectations | Index | May | 5.0 | 3.1 |
| Wed | 15-May | 4:00 | CNY | Industrial production | y/y | Apr | 6.5% | 8.5% |
| | | 4:00 | CNY | Retail sales | y/y | Apr | 8.6% | 8.7% |
| | | 4:00 | CNY | Fixed assets investments | y/y | Apr | 6.4% | 6.3% |
| | | 8:00 | DEM | GDP, preliminary | q/q y/y | 1st quarter | 0.4% 0.7% | 0.0% 0.6% |
| | | 11:00 | EUR | GDP, preliminary | q/q y/y | 1st quarter | 0.4% 1.1% | 0.4% 1.2% |
| | | 14:30 | USD | Retail sales control group | m/m | Apr | 0.3% | 1.0% |
| Fri | 17-May | 11:00 | EUR | HICP - core inflation, final | y/y | Apr | 1.2% | 1.2% |
| Scandi movers | | | | | | | | |
| During the week | | | | | | | | |
| Mon | 13-May | 8:00 | NOK | GDP (mainland) | q/q | 1st quarter | 0.4% | 0.4% |
| Tue | 14-May | 9:30 | SEK | Underlying inflation CPIF | m/m y/y | Apr | 0.7% 2.1% | 0.7% 2.0% |
| Wed | 15-May | 8:00 | DKK | GDP indicator | q/q | 1st quarter | 0.4% | 0.8% |
| | | 8:00 | SEK | Prospera inflation expectations | | | | |

Source: Bloomberg, Danske Bank

Weekly Wrap-Up

Trade war uncertainty unravelling again

Main macro themes

- The overriding theme this week has been the U-turn in the US-China trade talks.** This was supposed to be the last round of trade talks in Washington but the negotiations took a sharp turn of events on Sunday, when Donald Trump said he would raise tariffs on USD200bn of Chinese goods on Friday, because China wanted to renegotiate parts of the deal. On Friday, the tariffs became reality and China vowed to retaliate. The Chinese delegation stayed for another day of talks on Friday and we should know more about which way things will go on Friday night. We see a clear risk that things will get worse before they get better but our baseline scenario is still a deal by the end of Q2, as a further escalation would hurt both sides significantly. However, the uncertainty is very high now and we cannot rule out a full-blown trade war. The development is a clear downside risk to our growth scenario of a gradual recovery in the global economy this year.
- The EU Commission presented its spring projections** and downgraded growth for the euro area to 1.2% (previously 1.3%) in 2019, from 1.9% in 2018. The EU Commission still expects a recovery in 2020 to 1.5% (previously 1.6%). Notably, it has revised its forecast for Germany lower. It revised the budget deficit for Italy for 2020 higher to 3.5% of GDP. This is clearly above the 3% limit and much higher than the Italian government's forecast of 2.1% of GDP. Italian bonds suffered a bit on this.
- The economic newsflow was soft this week.** Chinese data for April continue to disappoint, with exports and credit growth undershooting expectations. We had been expecting a correction in April, though, as Chinese New Year boosted March numbers. German industrial data for April was a mixed bag, as orders disappointed while industrial production surprised on the upside.
- The data coming out is less significant, though,** as the outlook now depends strongly on how the US-China trade talks evolve. A new escalation could derail the brewing recovery and prolong the weakness in the global economy.
- In the UK, the cross-party Brexit negotiations have, as expected, not been fruitful** and pressure is mounting on PM Theresa May to resign after the Conservatives suffered a heavy defeat in the local elections. The European election campaign is ongoing, with the Conservatives set to suffer another heavy defeat.

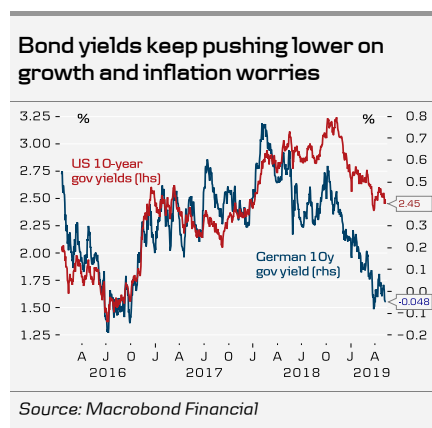
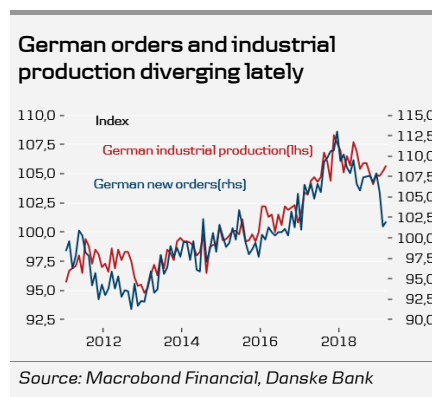
Financial market developments

- Stock markets have declined** on the negative development in the trade talks but not as much as may have been feared. However, there is a risk that markets will sell off more in the short term, unless the two sides get back on track in the negotiations quickly.
- US and German 10-year yields** have declined again on renewed uncertainty as the downside risk to growth and inflation has increased.
- In FX markets, EUR/USD** has not moved a lot. However, CNY has weakened a lot, taking USD/CNY from 6.7 to above 6.8.
- In commodity markets, metals have sold off** on growth fears, while oil prices are broadly flat.

Financial views

| Major indices | | | |
|----------------|--------|-------|-------|
| | 10-May | 3M | 12M |
| 10yr EUR swap | 0.48 | 0.55 | 0.85 |
| 10yr US swap | 2.43 | 2.60 | 2.70 |
| ECB key rate | -0.40 | -0.40 | -0.40 |
| Fed funds rate | 2.50 | 2.50 | 2.50 |
| EUR/SEK | 1082 | 1060 | 1080 |
| EUR/NOK | 984 | 950 | 930 |
| EUR/USD | 112 | 113 | 117 |
| ICE Brent oil | 71 | 70 | 80 |

Source: Danske Bank



Scandi update

Denmark – Parliamentary elections called at last

Danish CPI inflation came in at 1.0% y/y in April, as we had expected. Food and alcohol prices pulled the inflation rate down. Clothing was the big surprise this month and its contribution continues to decline, now down almost 5% y/y. Meanwhile, air fares have shot up. Oil prices can explain some of this, and there may also an ‘Easter effect’ at play. We do not usually see this in the Danish numbers.

We also saw new figures for exports, which took something of a dive. Goods exports excluding ships and aircraft fell 5.6% in March. However, this comes on the heels of two particularly good months, bringing goods exports to growth overall in Q1 – we consider this a fine performance, especially considering how weak the export and production figures have been in many other parts of Europe, not least of all Germany. Looking at the trade balance, which includes trade in goods outside the country’s borders, Q1 looks even better. In contrast, service exports, not least of all shipping, have struggled in Q1, falling 0.8% in monetary terms.

On Tuesday, the Danish prime minister called for a general election on 5 June, 10 days after the EU parliament elections. The election has to take place no later than 17 June. The polls indicate there will be a change of government after the election, but regardless of the result, we do not expect any noticeable market reaction. There is broad agreement on the overall framework for economic policy and we do not expect any serious questions over either Denmark’s EU membership or it joining the euro.

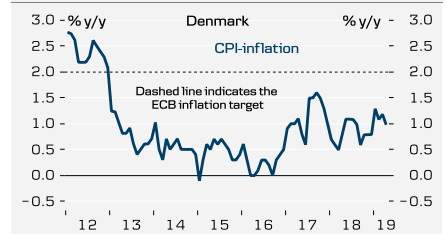
Sweden – PVI pulled Q1 GDP growth below 1%

The March production value index for the manufacturing industry printed a weak -1.3% y/y rate. Putting these figures into our GDP tracker suggests Q1 GDP growth dropped to only 1% y/y. We note that this estimate needs to be seen with some caution as it does not take into consideration odd factors such as inventory changes or net services exports (factors that caused the strong print for Q4 GDP). Note that the Riksbank’s Q1 GDP forecast is 1.7% y/y, well above what our model suggests. Looking forward, new orders dropped sharply by 8.1% y/y, suggesting even weaker numbers going into Q2.

Norway – Norges Bank signals June rate increase

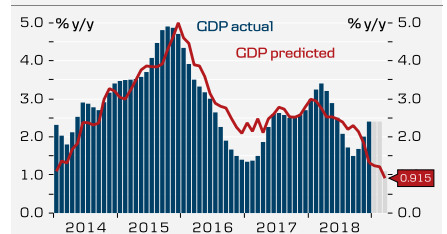
As expected, Norges Bank left its policy rate unchanged at 1.00% at its meeting during the week. The governor also said straight out that the policy rate “will most likely be raised in June”, which was rather more explicit than we had anticipated, but kudos to Norges Bank for minimising uncertainty more than a month ahead of a planned hike. In its assessment, the Executive Board noted that capacity utilisation in the Norwegian economy is continuing to rise, the labour market is tightening and wage growth is accelerating as expected. Meanwhile, inflation has been higher than anticipated and the import-weighted krone exchange rate has been weaker than expected, despite higher oil prices. Norges Bank also noted that growth among Norway’s trading partners has been slightly higher than envisaged, while interest rate expectations are somewhat lower. Uncertainty about the trade conflict between the US and China persists and poses a downside risk. We largely share the central bank’s view and would still expect a rate hike in June unless the economy is hit by a serious negative shock.

Clothing prices keeping inflation down



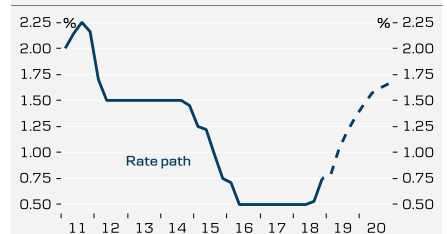
Source: Statistics Denmark, Macrobond Financial, Danske Bank

Growth is slowing sharply



Source: SCB, Danske Bank

Norges Bank signals June hike



Source: Macrobond, Norges Bank

Latest research from Danske Bank

10/5 China Notes - US hikes tariffs leaving high uncertainty in place

So this morning we have confirmed that the US raised tariff rates. Here is what we know currently:

10/5 A tour of the global economy - in one chart pack!

This chart pack is aimed at readers who prefer a deep dive into global macro.

10/5 Euro Area Research - Inflation under the microscope: simmering, not boiling

With clouds over the growth outlook clearing a little, unit labour costs rising and firms' margins being squeezed, we still see strong arguments for core inflation to reach rates of 1.3-1.4% by year-end.

9/5 Norges Bank Review - Unchanged but clear signal of June rate hike

Norges Bank left the sight deposit rate unchanged at 1.00% in a decision widely expected by both markets and analysts.

6/5 Macro Strategy Views Podcast: The future of Europe - Why reforms are so hard

The fiscal rules are too pro-cyclical, complicated and are not working properly.

6/5 US-China Trade - New uncertainty as Trump threatens of new tariffs

Before entering what is supposed to be the last round of trade talks, Trump threatens new tariffs on all of US imports from China.

6/5 Euro Area Macro Monitor - Receding recession risks

In April, the euro area manufacturing PMI remained below the recession indication level of 50 for the third consecutive month and showed only a small rebound to 47.9, signalling a lacklustre start to Q2 for the economy

5/5 Harr's view: The future of Europe - why are reforms so hard

I believe the fiscal rules are too pro-cyclical, complicated and are not working properly, but it is difficult to say whether the fiscal rules are set to change.

Macroeconomic forecast

Macro forecast, Scandinavia

| | Year | GDP ¹ | Private cons. ¹ | Public cons. ¹ | Fixed inv. ¹ | Ex-ports ¹ | Im-ports ¹ | Infla-tion ¹ | Wage growth ¹ | Unem-ploym ³ | Public budget ⁴ | Public debt ⁴ | Current acc. ⁴ |
|---------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| Denmark | 2018 | 1.4 | 2.3 | 0.8 | 5.1 | 0.6 | 2.7 | 0.8 | 2.3 | 3.9 | 0.5 | 34.1 | 6.0 |
| | 2019 | 1.8 | 1.8 | 0.4 | -1.2 | 3.2 | 1.2 | 1.2 | 2.2 | 3.8 | 0.3 | 32.6 | 7.1 |
| | 2020 | 1.6 | 2.2 | 0.4 | 3.2 | 1.9 | 2.4 | 1.4 | 2.5 | 3.8 | 0.0 | 31.5 | 7.1 |
| Sweden | 2018 | 2.4 | 1.2 | 0.9 | 3.3 | 3.5 | 2.9 | 2.0 | 2.6 | 6.3 | 0.9 | 38.5 | 0.5 |
| | 2019 | 1.0 | 0.8 | 0.6 | -0.3 | 4.1 | 3.2 | 1.7 | 2.6 | 6.6 | 0.1 | 34.0 | 4.4 |
| | 2020 | 1.5 | 1.6 | 1.5 | 1.7 | 3.2 | 2.8 | 1.5 | 2.7 | 7.1 | 0.5 | 33.0 | 4.2 |
| Norway | 2018 | 2.2 | 2.0 | 1.5 | 0.9 | -0.8 | 0.9 | 2.7 | 2.8 | 2.4 | - | - | - |
| | 2019 | 2.6 | 2.0 | 1.8 | 4.7 | 3.5 | 3.0 | 2.2 | 3.3 | 2.3 | - | - | - |
| | 2020 | 2.4 | 2.3 | 1.8 | 1.8 | 3.0 | 3.0 | 1.7 | 3.8 | 2.2 | - | - | - |

Macro forecast, Euroland

| | Year | GDP ¹ | Private cons. ¹ | Public cons. ¹ | Fixed inv. ¹ | Ex-ports ¹ | Im-ports ¹ | Infla-tion ¹ | Wage growth ¹ | Unem-ploym ³ | Public budget ⁴ | Public debt ⁴ | Current acc. ⁴ |
|-----------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| Euro area | 2018 | 1.8 | 1.3 | 1.1 | 3.3 | 3.1 | 3.1 | 1.8 | 2.3 | 8.2 | -0.5 | 85.1 | 3.6 |
| | 2019 | 1.4 | 1.2 | 2.3 | 3.1 | 3.0 | 4.0 | 1.6 | 2.2 | 7.7 | -0.8 | 84.9 | 3.3 |
| | 2020 | 1.5 | 1.6 | 2.4 | 2.0 | 2.7 | 3.5 | 1.4 | 2.4 | 7.5 | -0.7 | 82.8 | 3.2 |
| Germany | 2018 | 1.5 | 0.9 | 1.0 | 2.7 | 2.2 | 3.4 | 1.9 | 3.0 | 3.4 | 1.7 | 60.9 | 7.3 |
| | 2019 | 1.1 | 0.9 | 3.2 | 3.3 | 2.2 | 4.4 | 1.4 | 3.2 | 3.1 | 1.2 | 56.7 | 7.3 |
| | 2020 | 1.4 | 1.6 | 2.2 | 3.1 | 3.1 | 4.6 | 1.5 | 3.0 | 2.9 | 1.1 | 53.7 | 6.9 |
| Finland | 2018 | 2.3 | 1.4 | 1.4 | 3.2 | 1.5 | 4.2 | 1.1 | 1.8 | 7.4 | -0.7 | 58.9 | -1.9 |
| | 2019 | 1.7 | 1.6 | 0.5 | 1.0 | 2.5 | 3.0 | 1.3 | 2.5 | 6.5 | 0.0 | 57.6 | -1.5 |
| | 2020 | 1.2 | 1.3 | 0.5 | 1.0 | 2.0 | 2.0 | 1.5 | 2.5 | 6.4 | 0.1 | 56.3 | -1.2 |

Macro forecast, Global

| | Year | GDP ¹ | Private cons. ¹ | Public cons. ¹ | Fixed inv. ¹ | Ex-ports ¹ | Im-ports ¹ | Infla-tion ¹ | Wage growth ¹ | Unem-ploym ³ | Public budget ⁴ | Public debt ⁴ | Current acc. ⁴ |
|-------|------|------------------|----------------------------|---------------------------|-------------------------|-----------------------|-----------------------|-------------------------|--------------------------|-------------------------|----------------------------|--------------------------|---------------------------|
| USA | 2018 | 2.9 | 2.6 | 1.5 | 5.2 | 4.0 | 4.5 | 2.4 | 3.0 | 3.9 | -4.0 | 106.0 | -3.2 |
| | 2019 | 2.4 | 2.4 | 1.3 | 2.9 | 2.1 | 3.5 | 1.8 | 3.3 | 3.6 | -4.6 | 107.0 | -3.6 |
| | 2020 | 1.9 | 2.1 | 1.0 | 2.7 | 2.4 | 2.6 | 2.4 | 3.5 | 3.5 | -4.6 | 108.0 | -3.7 |
| China | 2018 | 6.6 | 8.2 | - | 5.0 | - | - | 2.2 | 8.5 | - | -4.1 | 50.1 | 0.7 |
| | 2019 | 6.2 | 8.0 | - | 4.7 | - | - | 2.0 | 8.3 | - | -4.5 | 53.9 | 0.7 |
| | 2020 | 6.2 | 7.8 | - | 4.6 | - | - | 2.2 | 8.0 | - | -4.3 | 57.1 | 0.7 |
| UK | 2018 | 1.4 | 1.8 | 0.4 | 0.2 | 0.1 | 0.7 | 2.5 | 3.0 | 4.1 | -1.5 | 85.0 | -3.3 |
| | 2019 | 1.0 | 1.4 | 1.3 | -0.7 | 1.4 | 2.2 | 1.6 | 3.5 | 3.9 | -1.5 | 84.1 | -3.2 |
| | 2020 | 1.3 | 1.5 | 0.6 | 1.7 | 2.0 | 2.0 | 1.5 | 3.8 | 3.8 | -1.3 | 83.2 | -3.0 |
| Japan | 2018 | 0.9 | 0.3 | 0.5 | 1.8 | 3.1 | 2.7 | 0.9 | - | 2.8 | - | - | - |
| | 2019 | 0.9 | 1.0 | 0.8 | 1.5 | 2.0 | 2.1 | 1.4 | - | 2.4 | - | - | - |
| | 2020 | 0.5 | 0.0 | 0.8 | -0.3 | 2.8 | 1.2 | 2.0 | - | 2.4 | - | - | - |

Source: OECD and Danske Bank. 1) % y/y. 2) % contribution to GDP growth. 3) % of labour force. 4) % of GDP.

Financial forecast

| Bond and money markets | | | | | | | | | | |
|------------------------|--------|-------------------|------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Key interest rate | 3m interest rate | 2-yr swap yield | 10-yr swap yield | Currency vs EUR | Currency vs USD | Currency vs DKK | Currency vs NOK | Currency vs SEK |
| USD | 10-May | 2.50 | 2.55 | 2.36 | 2.43 | 112.3 | - | 664.8 | 875.9 | 963.7 |
| | +3m | 2.50 | 2.60 | 2.55 | 2.60 | 113.0 | - | 660.0 | 840.7 | 938.1 |
| | +6m | 2.50 | 2.60 | 2.55 | 2.60 | 115.0 | - | 648.3 | 808.7 | 930.4 |
| | +12m | 2.50 | 2.60 | 2.60 | 2.70 | 117.0 | - | 637.2 | 794.9 | 923.1 |
| EUR | 10-May | -0.40 | -0.31 | -0.21 | 0.48 | - | 112.3 | 746.6 | 983.6 | 1082.2 |
| | +3m | -0.40 | -0.31 | -0.15 | 0.55 | - | 113.0 | 745.8 | 950.0 | 1060.0 |
| | +6m | -0.40 | -0.31 | -0.15 | 0.60 | - | 115.0 | 745.5 | 930.0 | 1070.0 |
| | +12m | -0.40 | -0.31 | -0.05 | 0.85 | - | 117.0 | 745.5 | 930.0 | 1080.0 |
| JPY | 10-May | -0.10 | -0.08 | -0.02 | 0.13 | 125.6 | 109.8 | 5.94 | 7.83 | 8.61 |
| | +3m | -0.10 | - | - | - | 127.7 | 113.0 | 5.84 | 7.44 | 8.30 |
| | +6m | -0.10 | - | - | - | 130.0 | 113.0 | 5.74 | 7.16 | 8.23 |
| | +12m | -0.10 | - | - | - | 132.2 | 113.0 | 5.64 | 7.03 | 8.17 |
| GBP | 10-May | 0.75 | 0.81 | 1.01 | 1.32 | 86.2 | 130.2 | 865.7 | 1140.4 | 1254.8 |
| | +3m | 0.75 | 0.84 | 1.15 | 1.40 | 86.0 | 131.4 | 867.2 | 1104.7 | 1232.6 |
| | +6m | 0.75 | 0.84 | 1.20 | 1.55 | 86.0 | 133.7 | 866.9 | 1081.4 | 1244.2 |
| | +12m | 0.75 | 0.84 | 1.30 | 1.65 | 86.0 | 136.0 | 866.9 | 1081.4 | 1255.8 |
| CHF | 10-May | -0.75 | -0.71 | -0.64 | 0.03 | 113.9 | 101.5 | 655.2 | 863.2 | 949.7 |
| | +3m | -0.75 | - | - | - | 113.0 | 100.0 | 660.0 | 840.7 | 938.1 |
| | +6m | -0.75 | - | - | - | 115.0 | 100.0 | 648.3 | 808.7 | 930.4 |
| | +12m | -0.75 | - | - | - | 117.0 | 100.0 | 637.2 | 794.9 | 923.1 |
| DKK | 10-May | -0.65 | -0.34 | -0.14 | 0.58 | 746.6 | 664.8 | - | 131.7 | 144.9 |
| | +3m | -0.65 | -0.32 | -0.05 | 0.65 | 745.8 | 660.0 | - | 127.4 | 142.1 |
| | +6m | -0.65 | -0.32 | -0.05 | 0.70 | 745.5 | 648.3 | - | 124.7 | 143.5 |
| | +12m | -0.65 | -0.32 | 0.05 | 0.95 | 745.5 | 637.2 | - | 124.7 | 144.9 |
| SEK | 10-May | -0.25 | -0.05 | 0.02 | 0.79 | 1082.2 | 963.7 | 69.0 | 90.9 | 100.0 |
| | +3m | -0.25 | -0.05 | 0.12 | 0.90 | 1060.0 | 938.1 | 70.4 | 89.6 | - |
| | +6m | -0.25 | -0.05 | 0.15 | 0.95 | 1070.0 | 930.4 | 69.7 | 86.9 | - |
| | +12m | -0.25 | -0.05 | 0.15 | 1.05 | 1080.0 | 923.1 | 69.0 | 86.1 | - |
| NOK | 10-May | 1.00 | 1.45 | 1.77 | 2.04 | 983.6 | 875.9 | 75.9 | 100.0 | 110.0 |
| | +3m | 1.25 | 1.79 | 1.90 | 2.15 | 950.0 | 840.7 | 78.5 | - | 111.6 |
| | +6m | 1.25 | 1.94 | 2.15 | 2.15 | 930.0 | 808.7 | 80.2 | - | 115.1 |
| | +12m | 1.50 | 2.12 | 2.30 | 2.35 | 930.0 | 794.9 | 80.2 | - | 116.1 |

| Commodities | | | | | | | | | | | | |
|-------------|--------|------|----|----|----|------|----|----|----|---------|------|--|
| | | 2019 | | | | 2020 | | | | Average | | |
| | 10-May | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | 2019 | 2020 | |
| ICE Brent | 71 | 65 | 70 | 75 | 80 | 80 | 80 | 80 | 80 | 72 | 80 | |

Source: Danske Bank

Calendar

Key Data and Events in Week 20

During the week

Monday, May 13, 2019

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|-------|-------------|-------------|-----------|----------|
| 7:00 | JPY | Leading economic index, preliminary | Index | Mar | | 96.3 | 97.1 |
| 8:00 | NOK | GDP (mainland) | q/q | 1st quarter | 0.4% | 0.4% | 0.9% |
| 8:00 | NOK | GDP (total) | q/q | 1st quarter | | | 0.5% |
| 15:05 | USD | Fed's Rosengren (non-voter, hawk) speaks | | | | | |

Tuesday, May 14, 2019

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|---------|--------|-------------|-------------|-------------|
| 8:00 | DEM | HICP, final | m/m/y/y | Apr | | 1.0% 2.1% | 1.0% 2.1% |
| 9:00 | ESP | HICP, final | m/m/y/y | Apr | | 1.1% 1.6% | 1.1% 1.6% |
| 9:15 | USD | Fed's Williams (voter, neutral) speaks | | | | | |
| 9:30 | SEK | Underlying inflation CPIF | m/m/y/y | Apr | 0.7% 2.1% | 0.7% 2.0% | 0.2% 1.8% |
| 9:30 | SEK | Underlying inflation, CPIFxEn | m/m/y/y | Apr | 0.6% 1.58% | | .. 1.6% |
| 9:30 | SEK | CPI | m/m/y/y | Apr | 0.8% 2.2% | 0.7% 2.1% | 0.2% 1.9% |
| 10:30 | GBP | Unemployment rate (3M) | % | Mar | | 3.9% | 3.9% |
| 10:30 | GBP | Average weekly earnings ex bonuses (3M) | y/y | Mar | | 3.3% | 3.4% |
| 11:00 | EUR | Industrial production | m/m/y/y | Mar | | -0.3% -0.8% | -0.2% -0.3% |
| 11:00 | DEM | ZEW current situation | Index | May | | 6.0 | 5.5 |
| 11:00 | DEM | ZEW expectations | Index | May | | 5.0 | 3.1 |
| 12:00 | USD | NFIB small business optimism | Index | Apr | | 102.0 | 101.8 |
| 14:30 | USD | Import prices | m/m/y/y | Apr | | 0.7% ... | 0.6% 0.0% |
| 18:45 | USD | Fed's George (non-voter, hawkish) speaks | | | | | |

Wednesday, May 15, 2019

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|---|---------|-------------|-------------|-----------|-----------|
| - | PLN | Polish central bank rate decision | % | | 1.5% | 1.5% | 1.5% |
| 4:00 | CNY | Industrial production | y/y | Apr | | 6.5% | 8.5% |
| 4:00 | CNY | Retail sales | y/y | Apr | | 8.6% | 8.7% |
| 4:00 | CNY | Fixed assets investments | y/y | Apr | | 6.4% | 6.3% |
| 8:00 | DKK | GDP indicator | q/q | 1st quarter | 0.4% | | 0.8% |
| 8:00 | SEK | Prospera inflation expectations | | | | | |
| 8:00 | NOK | Trade balance | NOK bn | Apr | | | 13.9 |
| 8:00 | DEM | GDP, preliminary | q/q/y/y | 1st quarter | | 0.4% 0.7% | 0.0% 0.6% |
| 8:45 | FRF | HICP, final | m/m/y/y | Apr | | 0.3% 1.4% | 0.3% 1.4% |
| 11:00 | EUR | GDP, preliminary | q/q/y/y | 1st quarter | 0.4% 1.1% | 0.4% 1.2% | 0.4% 1.2% |
| 11:00 | EUR | Employment, preliminary | q/q/y/y | 1st quarter | | | 0.3% 1.3% |
| 12:00 | EUR | Portugal, GDP, preliminary | q/q/y/y | 1st quarter | | | 0.4% 1.7% |
| 14:30 | USD | Retail sales control group | m/m | Apr | | 0.3% | 1.0% |
| 14:30 | USD | Empire Manufacturing PMI | Index | May | | 8.0 | 10.1 |
| 14:30 | CAD | CPI | m/m/y/y | Apr | | | .. 1.9% |
| 15:15 | USD | Capacity utilization | % | Apr | | 78.8% | 78.8% |
| 15:15 | USD | Industrial production | m/m | Apr | | 0.1% | -0.1% |
| 15:15 | USD | Manufacturing production | m/m | Apr | | 0.1% | 0.0% |
| 16:00 | USD | NAHB Housing Market Index | Index | May | | 64.0 | 63.0 |
| 16:30 | USD | DOE U.S. crude oil inventories | K | | | | |
| 22:00 | USD | TICS international capital flow, Net inflow | USD bn | Mar | | | -21.6 |

Thursday, May 16, 2019

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|---|------------|-------------|-------------|-----------|----------------|
| 3:30 | AUD | Employment change | 1000 | Apr | | 15 | 25.7 |
| 7:30 | FRF | ILO unemployment | % | 1st quarter | | 8.7% | 8.8% |
| 10:00 | ITL | HICP, final | m/m/y/y | Apr | | .. 1.2% | .. 1.2% |
| 11:00 | EUR | Trade balance | EUR bn | Mar | | | 19.5 |
| 14:30 | USD | Initial jobless claims | 1000 | | | | |
| 14:30 | USD | Building permits | 1000 (m/m) | Apr | | 1293 | 1269.0 (-0.2%) |
| 14:30 | USD | Housing starts | 1000 (m/m) | Apr | | 1220 | 1139.0 (-0.3%) |
| 14:30 | USD | Philly Fed index | Index | May | | 11.0 | 8.5 |
| 18:00 | USD | Fed's Evans (non-voter, dovish) speaks | | | | | |
| 18:05 | USD | Fed's Kashkari (non-voter, dovish) speaks | | | | | |

Friday, May 17, 2019

| | | | | Period | Danske Bank | Consensus | Previous |
|-------|-----|--|---------|--------|-------------|-----------|-----------|
| 11:00 | EUR | HICP inflation | m/m/y/y | Apr | | 0.7% 1.7% | 1.0% 1.4% |
| 11:00 | EUR | HICP - core inflation, final | y/y | Apr | | 1.2% | 1.2% |
| 16:00 | USD | University of Michigan Confidence, preliminary | Index | May | | 97.9 | 97.2 |
| 17:15 | USD | Fed's Williams (voter, neutral) speaks | | | | | |
| 20:00 | USD | Fed's Williams (voter, neutral) speaks | | | | | |

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Source: Danske Bank

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